



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
PHILADELPHIA REGIONAL OFFICE  
MELLON INDEPENDENCE CENTER  
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March 18, 2008

VIA FACSIMILE (215) 580-2141

Honorable Jan E. DuBois  
12613 United States Courthouse  
601 Market Street  
Philadelphia, Pennsylvania 19106

**FILED**

MAR 20 2008

MICHAEL E. KUNZ, Clerk  
By \_\_\_\_\_ Dep. Clerk

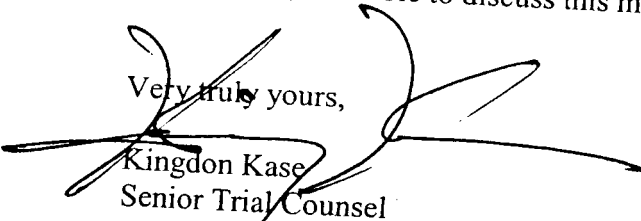
Re: SEC v. Michael A. Liberty, et al.  
Civil Action No. 06-1030 (E.D. PA) (JD)

Dear Judge DuBois,

I am writing on behalf of the plaintiff, Securities and Exchange Commission ("Commission"), and defendant Michael A. Liberty, to notify you that these parties have reached an agreement in principle as to the terms of a settlement that the staff of the Commission is prepared to recommend to the Commission. There are, however, several matters that must be completed before the parties can present the Court with a proposed Final Judgment Order ("Order") that will resolve all outstanding claims in this civil action. For instance, Mr. Liberty has agreed to provide the staff with more current financial information in the form of a sworn financial affidavit or declaration, and to execute a written Consent to the entry of the proposed Order. Thereafter, the staff intends to recommend in writing that the Commission settle this matter on the terms to which the staff and Mr. Liberty have agreed. The proposed settlement is subject to approval by the Commission. We anticipate that it may take several months to complete all of the foregoing, and to present the recommendation to the Commission.

Accordingly, counsel for the Commission and counsel for Mr. Liberty hereby request that you temporarily suspend the Scheduling Order in this matter in order to permit us to devote our attention to completing the settlement. We are, of course, available to discuss this matter further if Your Honor would like.

Very truly yours,

  
Kingdon Kase  
Senior Trial Counsel

cc: Jay A. Dubow, Esquire (via facsimile)